

# Lamont's Tax Hikes

Here is a list of tax changes in the second year of the governor's proposed budget, after they would all take effect if adopted. Not included are proposed **postponements of about \$120 million in tax decreases** that were scheduled to take effect. Also not included are **proceeds from tolls**, which would not happen until 2025; and a **tax on hospitals**, which is already in effect.

## **TOTAL: \$751 million per year increase**

### **1. Expansion of the sales tax by adding goods and services: \$520 million**

Largest components of the sales tax expansion:

Legal services: \$72 million

Real estate services: \$69 million

Vehicle trade-in tax: \$62 million

Engineering services: \$43 million

Barber shops and beauty salons: \$42 million

Digital downloads (now 1 percent), \$37 million

Non-prescription drugs: \$30 million

Home repair: \$32 million

Veterinary services, \$19 million

Dry cleaning and laundry, \$17 million

### **2. Sweetened drinks at 1.5 cents/ounce: \$163 million**

### **3. Town payments for teachers' retirement fund: \$49 million**

### **4. Hotel occupancy tax increase: \$18 million**

### **5. Increased real estate fees on sales over \$800,000: \$8 million**

### **6. 25-cent deposit on wine and liquor bottles, unreturned: \$6 million**

### **7. Net of raising tobacco age to 21 and added e-cigarette tax: \$4 million**

### **8. Miscellaneous: \$2 million**

### **9. Net of changes in business filing fees: \$10 million TAX BREAK**

### **10. Gift tax revoked: \$9 million TAX BREAK**

Sources: Office of Policy and Management; Office of Fiscal Analysis

